

LAND BOARD AGENDA ITEM

JULY 17, 2006

FINAL APPROVAL FOR SALE OF LAND BANKING PARCELS CHOUTEAU AND TREASURE COUNTIES

Background:

On May 16th, 2005 the Board gave preliminary approval to lessee nominated, isolated parcels in Chouteau (2880 acres) and Treasure (2229 acres) counties to continue through the Land Banking sales evaluation process. On February 21, 2006 the Board set the minimum bid amount for the sale parcels. On June 27, 2006 the Chouteau County parcels (960 acres) were sold at public auction. On June 29, 2006 the Treasure County parcels (1600 acres) were sold at public auction. All parcels were purchased by existing lessees, and sold for the minimum bid amounts.

The lessees have entered into purchase agreements with the State, and closing has been set for various times over the next 30 days contingent upon final approval by the Board.

Public Involvement:

Consideration of final approval by the Board for the land in Chouteau and Treasure counties concludes DNRC involvement in an extensive public process developed for the Land Banking program which included public notices in local and regional newspapers, letters to interested parties, including the Dept. of Fish, Wildlife and Parks, Dept. of Transportation, county commissioners, U.S. Fish and Wildlife Service, the Negotiated Rulemaking Committee members, local sportsman's organizations, and others, and public meeting.

Agency Recommendation:

The sale of these parcels brings to a successful conclusion the efforts of DNRC in Chouteau and Treasure counties over the last 20 months. The objectives disposing of isolated parcels lacking public access generating below average revenue and lowering administrative costs has been achieved.

The Department recommends final approval of the following Land Banking parcels in Chouteau and Treasure counties. Gross revenue to the beneficiaries is as follows:

Common Schools: \$489,600 (CS)

State Industrial School: \$60,800 (SIS)

| Recommended Final Sale Amount | | | | | |
|--------------------------------------|-----------------|--------------|---------------------------------------|------------------------------------|--------------------------------------|
| Sale Number | County | Acres | Appraised Value Without Access | Appraised Value With Access | Recommended Final Sale Amount |
| 76 (SIS) | Chouteau | 40 | \$123.50/acre | \$190/acre | 40 ac@\$190/acre \$7,600 |
| 78- | Chouteau | 40 | \$123.50/acre | \$190/acre | 40 ac@\$190/acre |

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|--------------------|-----------------|-------------|----------------------|------------------------------------|--|
| 1(SIS) | | | | | \$7,600 |
| 78-2(SIS) | Chouteau | 40 | \$123.50/acre | \$190/acre | 40 ac@\$190/acre \$7,600 |
| 95 (CS) | Chouteau | 640 | \$123.50/acre | \$190/acre | 640 ac@\$190/acre \$121,600 |
| 97(SIS) | Chouteau | 160 | \$123.50/acre | \$190/acre | 160 ac@\$190/acre \$30,400 |
| 98(SIS) | Chouteau | 40 | \$123.50/acre | \$190/acre | 40 ac@\$190/acre \$7,600 |
| TOTAL | Chouteau | 960 | | | \$182,400 |
| 14 (CS) | Treasure | 640 | \$180/acre | \$200/acre | 640 ac@\$200/acre \$128,000 |
| 32 (CS) | Treasure | 640 | \$225/acre | \$275/acre | 640 ac@\$275/acre \$176,000 |
| 13 (CS) | Treasure | 320 | \$180/acre | \$200/acre | 320ac@\$200/acre \$64,000 |
| TOTAL | Treasure | 1600 | | | \$368,000 |
| Total Acres | | 2560 | | Income to Land Banking Fund | \$550,400 |